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the individual stops being insured. Exception: If the individual elects portability for Option B, a valid designation remains in effect.

(2) An assignment under subpart I of this part automatically cancels an insured individual's designation of beneficiary.

(h) An insured individual may provide that a designated beneficiary is entitled to the insurance benefits only if the beneficiary survives him/her for a specified period of time (not more than 30 days). If the beneficiary doesn't survive for the specified period, insurance benefits will be paid as if the beneficiary had died before the insured.

(i)(1) Except as provided in paragraph (i)(2) of this section, if a court order has been received in accordance with §870.801(d), an insured individual cannot designate a different beneficiary, unless

(i) The person(s) named in the court order gives written consent for the change, or

(ii) The court order is modified.

(2) If a court order has been received in accordance with §870.801(d), and the court order applies to only part of the insurance benefits, an insured individual can designate a different beneficiary to receive the insurance benefits that are not included under the court order. If the insured individual does not make a designation for these benefits and there is no previous valid designation on file, benefits will be paid according to the order of precedence shown in §870.801(a).

(3) If a court order received in accordance with §870.801(d) is subsequently modified without naming a new person to receive the benefits, and a certified copy of the modified court order is received by the appropriate office before the death of the insured, the insured individual can designate a beneficiary. Benefits will be paid according to the order of precedence shown in §870.801(d) if the insured individual does not complete a new designation of beneficiary.

[62 FR 48731, Sept. 17, 1997; 62 FR 52181, Oct. 6, 1997, as amended at 64 FR 16602, Apr. 6, 1999; 64 FR 72464, Dec. 28, 1999]

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§ 870.803 Child incapable of self-support.

(a) When it receives a claim for Option C benefits because of the death of a child age 22 or older, OFEGLI determines, based on whatever evidence it considers necessary, whether the deceased child was incapable of self-support because of a mental or physical disability which existed before the child reached age 22.

(b) If an employee elects Option C under §870.506(a) (3), and the opportunity to elect is based solely on the acquisition of a child age 22 or older, the employee must submit to the employing office, at the time of making the election, a doctor's certificate stating that the child is incapable of self-support because of a physical or mental disability which existed before the child reached age 22 and which is expected to continue for more than 1 year. The certificate must include the name of the child, the type of disability, how long it has existed, and its expected future course and duration. The certificate must be signed by the doctor and show his/her office address.

Subpart I—Assignments of Life Insurance

§ 870.901 Assignments permitted.

(a) (1) Section 208 of the Bankruptcy Amendments and Federal Judgeship Act of 1984, Pub. L. 98–353 (98 Stat. 355), effective July 10, 1984, permits Federal judges to irrevocably assign their FEGLI coverage to one or more individuals, corporations, or trustees. Section 4 of Pub. L. 103–336 (108 Stat. 2661), effective October 3, 1994, extended this right to all Federal employees, annuitants, and compensationers.

(2) An individual may assign ownership of all life insurance under this part, except Option C. If an individual wishing to make an assignment owns more than one type of coverage, he/she must assign all the insurance; an individual cannot assign only a portion of the coverage. Option C cannot be assigned.

(b) An individual cannot name conditional assignees in case the primary assignee dies before the insured individual.

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(c) If the insurance is assigned to two or more individuals, corporations, or trustees, the insured individual must specify percentage shares, rather than dollar amounts or types of insurance, to go to each assignee.

(d) If an individual who has made an assignment later elects increased insurance coverage under § 870.506 or during an open enrollment period, the increased coverage is considered included in the already existing assignment. The right to increase coverage remains with the insured individual, rather than transferring to the assignee.

(e) An individual who assigns ownership of insurance continues to be the insured individual, but the assignee receives those rights of an insured individual that are specified in this part.

(f) Once assigned, the value of the insurance increases or decreases automatically as provided by this part. Exception: if the insured individual elected a Living Benefit before assigning the remainder of his/her insurance, the amount of Basic insurance does not increase or decrease.

(g) An insured individual who has assigned his/her insurance cannot elect a Living Benefit; nor can an assignee elect a Living Benefit on behalf of the insured individual.

(h) An insured individual who has elected a Living Benefit under subpart K of this part may assign the remainder of his/her insurance. The assignment would affect Option A, Option B, and, for an employee who elected a partial Living Benefit, Basic insurance.

(i) A court order can direct that an insured individual make an irrevocable assignment to the person(s) named in the court order. For an assignment to be effective, the insured individual must follow the procedures in § 870.902.

[62 FR 48731, Sept. 17, 1997, as amended at 64 FR 16602, Apr. 6, 1999]

§ 870.902 Making an assignment.

(a) To assign insurance, an insured individual must complete an approved assignment form. Only the insured individual can make an assignment; no one can assign on behalf of an insured individual.

(b) The individual must submit the completed and signed form to the appropriate office indicating the intent

to irrevocably assign all ownership of the insurance. The form must also be witnessed and signed by 2 people.

(1) For employees, the appropriate office is the employing office.

(2) For annuitants and compensationers, the appropriate office is OPM.

(3) For employees and former employees who have ported Option B coverage, the appropriate office is the Portability Office.

[64 FR 72464, Dec. 23, 1999]

§ 870.903 Effective date of assignment.

An assignment under this subpart is effective on the date the employing office receives the properly completed, signed, and witnessed assignment form.

§ 870.904 Amount of insurance.

The amount of insurance is the amount of the insured individual's Basic insurance, plus any Option A and Option B coverage.

§ 870.905 Withholdings.

Premium withholdings for assigned insurance are withheld from the salary, annuity, or compensation of the insured individual, as provided in subpart D of this part.

§ 870.906 Cancellation of insurance.

(a) The right to cancel (or reduce) insurance transfers to the assignee; the insured individual cannot cancel (or reduce) insurance after making an assignment.

(b) The assignee has the right to cancel insurance according to the provisions of §§ 870.502 and 870.505. When there is more than one assignee, all assignees must agree to the cancellation. A cancellation of Basic insurance also cancels all Optional insurance.

§ 870.907 Termination and conversion.

(a) Assigned insurance terminates under the conditions stated in subpart F of this part.

(b)(1) When an insured individual's insurance terminates, an assignee has the right to convert all or part of the group insurance to an individual policy on the insured individual. The conditions stated in subpart F of this part